

GOVERNMENT OF TELANGANA
ABSTRACT

Industries & Commerce Department -Announcement of policy for mobile manufacturers - Orders - Issued.

INDUSTRIES & COMMERCE (IP&INF) DEPARTMENT

G.O.MS.No. 70

Dated: 29/09/2015

Read the following :

- 1) From the Vice Chairman & Managing Director, Telangana State Industrial Infrastructure Corporation Limited TSIIC, Hyd, single File No.7815/TSIIC/Projects/2015 dated 03.07.2015.
- 2) From the Commissioner of Industries, Hyderabad Note dated 30.07.2015

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ORDER:

The Electronic Manufacturing Cluster (EMC) Scheme of Department of Electronics and Information Technology (Deity), Government of India, supports creation of world-class infrastructure for attracting investments in the Electronics Systems Design and Manufacturing (ESDM) Sector. Accordingly, Government of India has accorded in principle approval for two EMCs in Telangana - Fabcity (602 acres) and Maheshwaram (310 Acres approx.) in Ranga Reddy District.

2. In the reference 1st read above, the Vice Chairman & Managing Director, Telangana State Industrial Infrastructure Corporation Limited (TSIIC) has stated that in order to ensure commencement of EMCs, there is a necessity to identify and designate a manufacturing unit which will act as an Anchor Unit. Accordingly, to encourage mobile manufacturing units to set up their units in Telangana in view of their huge employment potential, to establish “Anchor Unit” (as per the definition under EMC) and thus considered for allocation of land on ‘cost basis’.

3. In the reference 2nd read above, the Commissioner of Industries, Hyderabad has furnished a note for announcement of Policy to extend certain benefits and other incentives for setting up of industries for manufacturing of Mobile Phone instruments and its accessories. He has further recommended the following special package of incentives under “Mega Project” concept of Telangana State Industrial Development and Entrepreneurs Advancement (T-IDEA).

- a. 100% reimbursement/retention of VAT/CST for a period of 10 years from the commencement of operations.
- b. A 20% capital subsidy on fixed capital investment other than land.
- c. Fixed power cost reimbursement of Rs. 1.00 / Kwh for 10 years
- d. Certain relaxation in labour Related Issues especially those relating to inspections

4. The matter has been placed before the “Telangana State Wide Investment Facilitation Board (T-SWIFT)” constituted vide G.O.Ms.No.36, Industries & Commerce (IP&INF) Department, dt.17.6.2015 for processing the clearance of Mega Projects, for their consideration and recommendations.

5. Government, after careful examination and keeping in view of the recommendations of T-SWIFT Board, hereby announce the policy for Mobile manufacturers with following incentives/concessions for setting up of Industries for manufacturing of Mobile Phone instruments and its accessories, in order to make Telangana a mobile manufacturing cluster hub:

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- I. **Allotment of land:** To allot land without infrastructure cost considering to “Anchor Unit” and total of 10 units will be considered as Anchor units and will be considered for allocation of land on cost basis to this industry;
 - II. **Capital Subsidy:** To allow 20% capital subsidy, subject to a ceiling of Rs.10 Cr. per company (including subsidiaries and ancillary units);
 - III. **Interest Subvention -** 5.25% per annum on term loan for a period of 5 years or till reaching 50% of the capital involved, whichever is earlier, subject to an overall ceiling of Rs.1.00 crore per unit per annum.
 - IV. **Stamp Duty:** To reimburse 100% stamp duty
 - V. **Patents:** To reimburse 100% cost towards Incentives for filing patents limited to Rs.5.00 lakhs;
 - VI. **Re-imbursement of Net VAT** - The unit can deposit the tax for the first quarter and reimbursement of net VAT would be credited at the end of the quarter, subject to its adjustment depending upon actual incident of taxation. Effectively, it means reimbursement of net VAT on a quarterly basis and will be applicable for first 5 years without any investment limit.
 - VII. **VAT Rate :-** The rate of VAT will be 5%.
 - VIII. **CST-** to waive off CST @2%;
 - IX. **Power Cost / Subsidy:** To supply power on average cost of service (as fixed by Telangana State Electricity Regulatory Commission). Alternatively the units can avail 25% power subsidy for a period of 3 years or Rs.30 lakhs whichever is earlier.
 - X. **Power Supply:** Uninterrupted Power supply will be assured.
 - XI. **Skill Up-gradation:** To provide Skill Up-gradation Training in ESDM Sector for required number of candidates and to contribute matching share in the EDF as per Govt. of India Policy.
 - XII. **Employment quota for local employees:** Overall, there shall be an employment of 80% for Local persons from the state.
 - XIII. **System of self-certification:** To develop a system of self-certification, by the Industries Department, in consultation with concerned departments, subject to the unit complying with all provisions which will be followed for these units.
6. In order to ensure that the very purpose of giving these incentives i.e., employment generation remains the focus, the mobile manufacturing unit shall employ atleast 1000 personnel within first two years of its operations and shall have a minimum employment level of 50 people for every acre of land with the unit in all units with more than Ac.20.00 and this will be a precondition to avail the incentives under this policy.

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7. The Commissioner of Industries, Hyderabad/ Vice Chairman & Managing Director, Telangana State Industrial Infrastructure Corporation Limited shall take necessary further action in the matter accordingly.

8. This order issues with the concurrence of Finance Department vide their U.O.No. 717/305/EBS-VII/I&C/2015 dated 29.09.2015.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

**ARVIND KUMAR
SECRETARY TO GOVERNMENT & CIP**

To

The Commissioner of Industries, Telangana, Hyderabad
The Vice Chairman & Managing Director, Telangana State Industrial Infrastructure Corporation Limited, Hyderabad.

Copy to:

The Revenue (CT) Department.

The Revenue (Registration) Department.

The Energy Department.

The Account General, Telangana, Hyderabad.

The Commissioner of Commercial Taxes, Hyderabad

The Chairman & Managing Director, TSTRANSCO., Hyderabad.

The Managing Director, TSNDCL/TSSPDCL Hyderabad.

All District Collectors.

All the General Managers, District Industries Centre (through COI)

PS to Prl. Secretary to Hon'ble Chief Minister.

PS to Hon'ble Minister (Industries, Handlooms & Textiles, Sugar).

PS to Chief Secretary to Govt.

PS to Secretary to Government & CIP., Industries & Commerce Department

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//FORWARDED: BY ORDER//

SECTION OFFICER